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**Date:** 10/20/2005 3:31:25 PM  
**Subject:** Corrections

I would like to submit two corrections to Local Power's remarks submitted to the Commission, one of which was spoken and the other in a footnote of written comments. They both concern a Commission report that studied the impact of DG.

On page 12 of Local Power's comments on the 2005 Draft IEPR the following footnote appears.

"1) A recent report on SMUD's distribution system showed that the benefites of distributed generation go beyond losses for the power generated, they actually protect from other losses as well. A 100 kw generator can save between 3% and 10% of the power from being lost in the local distribution line. See 2005 SMUD report by Energy and Environmental Economics, Inc., et.al.: Renewable Distributed Generation Assessment: Sacramento Municipal Utility District Case Study, January 2005: CEC 500-2005\_XXX"

The note contains an error, and should say "can save up to 8% of the generators output for optimally sited DG during peak hours" instead of just "between 3% and 10%."

To be precise, the report considered a reference case which modeled adding a series of 500 kw DG systems incrementally to distribution lines in SMUD's territory. The units were to be placed optimally. The savings for the initial 500 kw system for the reference case was 8% of the value of the 500 kw generation during peak loading conditions. In other words, adding a single 500 kw generator at peak hours saved 540 kw worth of demand on the distribution system. (savings at other hours was less). Each additional 500 kw system was added to the model, up to a maximum of about 13 mw. In general, as units were added the net system gain was less, and tended to level off around 4% savings relative to the generation capacity during peak hours. At saturation levels the savings dropped to 2%.

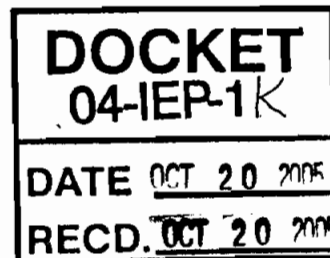
The report shows how important it is to evaluate and, to the degree possible, plan implementation of DG in order to realize its maximum value.

This footnote is itself a correction of the spoken comments of Robert Freehling before the Energy Commission on Friday morning, October 7, 2005, (transcript p.4) where I incorrectly stated that Tom Hoff was the author of the report given in the footnote below. The document, which I only had in draft form, has an incomplete document number. Here is the full number and date: CEC-500-2005-028; 2/22/2005, which can be found on the Commission's website at: [http://energy.ca.gov/reports/reports\\_500.html](http://energy.ca.gov/reports/reports_500.html).

I would like that the corrected information be made available to anyone at the commission, or the public, who wishes to track down the source.

Thank you,

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